

Filed for intro on 02/02/95
House Bill _____
By _____

Senate No. SB0659
By Wallace

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AN ACT relative to perfection of security interest and to amend
Tennessee Code Annotated, Section 47-8-102.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-8-102, is amended by deleting subsection (a)(ii) in its entirety and by substituting instead the following:

(ii) Either stock of a corporation (regardless of whether publicly traded and without regard to shareholders' agreements, bylaw provisions, transfer restrictions or other such matters applicable thereto) or any other share, participation or other interest or obligation of a type commonly dealt in on securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and

SECTION 2. Tennessee Code Annotated, Section 47-8-102, is further amended by deleting subsection (b)(ii) in its entirety and by substituting instead the following:

(ii) Either stock of a corporation (regardless of whether publicly traded and without regard to shareholders' agreements, bylaw provisions, transfer restrictions or other such matters applicable thereto) or any other share, participation or other interest or obligation of a type commonly dealt in on securities exchanges or markets; and

SECTION 3. The provisions of this act are intended to be a clarification of existing law with respect to the definition of a "security" under Article 8 of the Tennessee Uniform Commercial Code, particularly in the context of perfection of a security interest in stock or other investment instruments by possession of the instrument. The intent is to remove any uncertainty created by language of the Tennessee Supreme Court in the case, Blasingame v. American Materials, Inc. 654 S.W. 2d. 659 (Tenn. 1983).

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

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